

**FAIRFAX COUNTY PLANNING COMMISSION
REDEVELOPMENT & HOUSING COMMITTEE
Joint w/Redevelopment and Housing Authority (RHA)
WEDNESDAY, JULY 28, 2004**

COMMITTEE MEMBERS PRESENT:

Walter Alcorn, At-large
Frank A. de la Fe, Hunter Mill District
Suzanne F. Harsel, Braddock District
James R. Hart, At-large
Nancy Hopkins, Dranesville District
Rodney L. Lusk, Lee District

COMMITTEE MEMBERS ABSENT:

John R. Byers, Mount Vernon District
Ronald W. Koch, Sully District

STAFF PRESENT:

Barbara J. Lippa, Executive Director, Planning Commission Office
Norma Duncan, Associate Clerk, Planning Commission Office

OTHERS PRESENT:

Marty Dunn, Dranesville, Redevelopment & Housing Authority (RHA)
Conrad Egan, Providence District, RHA
Marianne Gardner, Chief, Policy Planning and Plan Development Branch, Planning Division (PD), Department of Planning and Zoning (DPZ)
Will Jasper, At-Large, RHA
John Kershenstein, Springfield District, RHA
Elizabeth Lardner, Mount Vernon District, RHA
Kenneth A. Lawrence, Providence District Commissioner
Albert McAloon, Lee District, RHA
Peter F. Murphy, Jr., Springfield District Commissioner
Kay Robertson, Strategic Planner, Department of Housing Community Development (HCD)
Paula Sampson, Director, HCD
Fred Selden, Director, PD, DPZ
Mary Stevens, Deputy Director, HCD

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Pursuant to Section 4-102 of the Commission's *Bylaws & Procedures*, Commission Chairman Peter F. Murphy, Jr. called the meeting to order at 7:32 p.m. in lieu of the Vice Chairman Byers who had been called out of town to attend a funeral. He indicated that the first order of business was the election of a committee chairman.

Commissioner de la Fe MOVED TO NOMINATE RODNEY LUSK AS CHAIRMAN OF THE 2004 REDEVELOPMENT AND HOUSING COMMITTEE.

The motion was seconded by Commissioner Alcorn and carried unanimously with Commissioner Byers and Commissioner Koch absent from the vote.

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Chairman Lusk noted that tonight's agenda had been distributed, as found in the date file, and would be completed in order. He introduced Marianne Gardner, Chief of the Policy Planning and Plan Development Branch, Department of Planning and Zoning (DPZ), for an update on the Policy Plan Amendments for housing.

Ms. Gardner noted that approximately a year earlier, DPZ had asked concurrence to do editorial updates in the Housing section of the Comprehensive Plan. She indicated that the handouts (included in the date file) were the result. She said there were two amendments: one intended to update the description of areas participating in the Community or Neighborhood Improvement Program and which showed accurate boundary changes.

The second amendment she discussed was S04-CW-2CP, which updated the existing and proposed assisted housing charts. She noted some structures would be shown as existing to provide a more accurate count of units. In addition, she said they wanted to revise some of the standard language appearing at the beginning of each planning district text, which would not reflect any type of policy change, but simply update the data and information. She said there was a tentative public hearing scheduled for October 7, 2004, before the Commission, followed by a Board of Supervisors' hearing on October 18, 2004.

Commissioner Alcorn questioned why the list of assisted housing projects was included and whether it was actually going into the Plan. Fred Selden, Director, Planning Division, DPZ, asserted that when the Plan was reviewed in the 1980s, the Board had requested that the listing be included. In fact, he noted, it was regularly updated about every year and a half. He acknowledged that there was more activity with Federally Assisted Housing in the County at that time and at one point, more program initiatives with respect to the construction of housing. He further explained that the table not only illustrated where existing housing projects were but also listed proposed projects. He said the listings were handled that way long before housing assistance became project rather than Section 8-based.

Ms. Gardner pointed out that home-ownership unit locations were not specified. Commissioner Alcorn said he had some concern about that because if they included too many specifics, the Comprehensive Plan would be outdated quickly.

John Kershenstein, Springfield District, RHA, interjected that it was not that they became outdated but rather were incomplete. He said that usually most listings stayed in the Plan which was beneficial to newcomers looking for assistance. He said it showed that the County was active and displayed site locations. He asked about Features Shown applications and Mr. Selden acknowledged that would be utilized if a specific project was listed as proposed.

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Chairman Lusk called on Paula Sampson, Director, HCD, to discuss the Housing Trust Fund.

Ms. Sampson presented a brief update on the Housing Trust Fund, which was now budgeted for slightly over one million dollars a year. She said they had been fortunate in the last couple of years to actually exceed that amount and sometimes received additional unplanned money at third quarter review. She said the trust fund reflected the development market and could either fluctuate or stay flat. She stated her expectation that it would likely flatten out slightly in the near future.

Ms. Sampson noted that one previous criticism of the Housing Trust Fund management was the difficulty of allocation, which sometimes did not happen until projects were near construction. As a result, she said, there appeared to be a lot of money in the account. She explained that they had changed that approach by doing an accounting of expenditures, as outlined in the brochure that was distributed the previous year (included in the date file). She said she was excited because there was approximately \$20M that had come through the Housing Trust Fund since inception and that over a thousand housing units had already been developed. She noted that with the Trust Fund, the Housing Authority was very skilled at leveraging available money for the most impact.

Ms. Sampson cited the Housing Trust Fund brochure which described projects that had been developed. Also, she noted, when planning, the RHA typically did a five-year strategic plan and a one-year action plan. The plan, she observed, reflected more than the Trust Fund and included Federal funds that the Housing Authority received, plus their own earnings, and other money. She indicated that the Authority annually reviewed the Housing Trust Fund, strategically allocating it for planning purposes. As a result, she said, at the end of 2004, there was approximately 230K in undesignated funds, which would be used for emergencies. The rest, she added was earmarked through the Strategic Plan process, requiring either Board approval or agreement to specifically earmark the funds.

Ms. Sampson noted that currently there was one million in funds proffered for the West County Family Shelter's construction. She also indicated that the Board of Supervisors had announced the preservation initiative, allocating the Trust Fund as a Preservation Loan Fund, which would help nonprofits and for-profits buy at-risk properties more quickly and then move into long-term permanent financing.

In response to Chairman Lusk's question about the amount currently in the Preservation Loan Fund, Ms. Sampson stated that there was one million from the Trust Fund plus a matched million by a national non-profit who was a partner. In addition, she noted, one million had been tagged for the preservation initiative. She also said that although the Housing Authority had always had the option to purchase up to a third of ADUs, they had not done so for several years; therefore, they had developed a new policy by looking carefully at development itself. She pointed out that they would investigate where an ADU was located and whether RHA would purchase or sell units under the ADU program. She noted that RHA had purchased 28 units in the last fiscal year. She acknowledged that ten of them would be for the new magnet housing program, the first of which would be with the Fairfax County Fire Department at Westcott Ridge. Ms. Sampson said the idea was to provide affordable housing for those entering the

workforce. She hoped her presentation provided a sufficient overview of the process and welcomed any questions.

Mr. Kershenstein interjected that the RHA did have the option to purchase up to a third of ADUs. He said they purchased what was already designated as Affordable Units because of the option to add value to their use for employees such as firemen, policemen, and teachers. He stated that had always been one of the main drivers for affordable housing in the County.

Chairman Lusk noted that his career began with Human Services in Fairfax County and that there were many others who could benefit from affordable housing as well. He asked how many County employees were actually residents in ADUs. Ms. Sampson stated that they occupied approximately 15 - 20% of the units but responded that if he wanted County-wide figures, she would have to provide those at a later time.

Chairman Lusk mentioned his discussions with Commissioner Alcorn about the issue of getting credit through the ADU ordinance for non-residential projects. He indicated that across the County there were nearly 11M square feet of vacancies. He added that the commercial office market was extremely sluggish with no anticipation of new construction for at least a couple of years. He noted that when that new construction began, considering trends in recent decades, there would be a huge demand because of pent up need and an immense opportunity for the County. After looking at the issue on the commercial/industrial side, he asked staff to research what other places in the country had moved in that direction as possible models.

Mr. Kershenstein said the subject had been discussed and mentioned that RHA's Pender office had a SRO that was a good mixed use. They had discussed how to get mixed residential or commercial/industrial, he said, so that the working staff could live in that area. He thought that might require some ordinance changes in addition to the question of how to get credit and stated his desire to see a resolution by the committee.

Mr. Conrad Egan, Providence District, RHA, asked if the commissioners were thinking about contributions to the Trust Fund. Chairman Lusk agreed that was the focus and asked what the cost would be per square foot and how to determine the basis for the contribution to the Trust Fund. Mr. Conrad acknowledged there were some holes but said that San Francisco had a program similar to what was under discussion and Ms. Sampson said she was aware of one in Austin. Mr. Egan noted that Mr. Kershenstein was correct about Pender and that they should look at the integration of residential into commercial at that location as a complement to both objectives.

Chairman Lusk acknowledged that he had seen the Pender area and could see the value of residential housing in that area. He mentioned that developers would probably not want those units tied to their buildings since they liked the separation and contributions would make more sense from their standpoint but said he also understood RHA's point of view.

Commissioner de la Fe mentioned attending a presentation at a redevelopment committee on the issue of a commercial development authority regarding the Wiehle Transit Area, where a staff member questioned whether RHA was supposed to engage in redevelopment.

Ms. Sampson responded that their charter definitely included redevelopment and related elements and that the Authority was getting more actively involved in that area. She referenced the Community Development authority, describing it as a financing tool which worked well in confined areas needing major redevelopment. Commissioner de la Fe reiterated his belief that RHA could theoretically handle that and Ms. Sampson agreed.

Commissioner Alcorn explored contributions to the Trust Fund from commercial and retail rezoning applications. He said the Planning Commission was on record as supporting such contributions under the Residential Development Criteria. He said it was probably not fair to only tax residential developers without considering commercial, retail, and industrial. Regarding acquisition, he said the way the Ordinance was currently written, ADUs only lasted 15 years, but through acquisitions there would be no limitations on such property.

Ms. Sampson noted the possibility of starting the clock over since it transfers and expressed her desire to bring the subject back as an interim matter.

Commission Alcorn spoke to new criteria and the change in calculating the Housing Fund applications and asked staff if they were tracking the dollar difference between the old and new criteria. Ms. Sampson estimated that the figure would be less.

Commissioner Alcorn reiterated the importance of the difference and noted that when the criterion was adopted, the assumption was to get the same amount, and they would need to know the result, especially if they were getting less money. He then asked staff how much money they would need in the Housing Trust Fund and what percentage was being contributed. Mr. Egan thanked Commissioner Alcorn for the question and replied that it was something the Preservation Task Force would include as part of its analysis.

Mr. Kershenstein asked whether a change in the ADU would be required regarding Commissioner Alcorn's point on the commercial monetary contributions. Commissioner Alcorn stated that it would require a change to the Comprehensive Plan. He added that under the Residential Development Criteria there were three sentences that dealt with criteria for approving non-residential development applications.

Mr. Kershenstein asked whether it had been vetted through the County Attorney's office. Commissioner Alcorn agreed that it could work the same as residential contributions and noted that there would not be an impact fee.

Elizabeth Lardner, Mount Vernon District, RHA, asked about the issue of preservation and revitalization policy language. She stated her hope that there could be a goal toward more progressive ways of addressing preservation. She said they were anticipating more neighborhood consolidations as well as "garnering" permit turnovers and asked about reviewing the conservation areas that already existed as well as those in preservation zones.

Chairman Lusk replied that the subject was timely because of the current Area Plans Review process. Ms. Lardner added a further comment regarding language in the Policy Plan to which Chairman Lusk responded there was an opportunity for discussions on neighborhood consolidations as proposed in nominations.

Commissioner Alcorn agreed but recognized that the County had a serious issue pending regarding loss of existing housing stock due to condo conversions. He noted that since condo conversions did not generally require rezonings, there would be a limit as to how much the Planning Commission could accomplish.

Commissioner de la Fe cited a case at Penderbrook Apartments with a request to convert from rental to co-op, and asked whether it would displace tenants and whether RHA was involved. Ms. Sampson replied that their department did not play a big role but were beginning to have that conversation since displacements seemed to be happening more often.

Commissioner de la Fe commented that the Commission gave one Reston group approval for apartments, but by the time they began marketing, the apartment market had died so they just converted to condos without any further requirement.

Ms. Sampson noted that some ADUs had asked to convert to condominiums and that staff was making some recommendations but believed they should restart the 15 year clock. Commissioner de la Fe asserted they should be made affordable and Ms. Sampson said they already had the ADU requirements and asked how to make the switch. Commissioner de la Fe responded that ownership should be tested.

Chairman Lusk asked what the current average rental rate was in the County considering that appreciation in the residential market was strong and exponentially rising. Ms. Stevens replied that that figure was between \$1200 and \$1300. He also requested information on the percentage increase for the last three years. Ms. Stevens said she would have to get back to him with that information.

Commissioner de la Fe suggested that they call the Park Authority if they couldn't find the information, because they conducted an annual survey of the 15-20 rental units for their employees and made any necessary adjustments. Ms. Stevens replied that her Department did a comprehensive rental survey every year too.

Mr. Egan suggested that breaking down the information by area, age, and apartment type might be useful. He deemed that it was precisely in the older areas where it was most important to preserve the affordable housing stock.

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Mr. Kershenstein asked if any formal input from the RHA on the pending policy plan amendment for housing was desired. Chairman Lusk concurred that they would welcome any input. He mentioned that the timetable for the Commission's hearing was currently October 7th. He asked if it would be better to meet after September 16th. Mr. Kershenstein commented that nothing major would be supplied but there might be some comments added.

Chairman Lusk asked Ms. Lipa to schedule a date for a follow-up meeting in September. She replied that there was a limitation on available time since the public hearing was on October 7th. Mr. Kershenstein said they could submit input before the markup and noted that the information

REDEVELOPMENT AND HOUSING COMMITTEE

July 28, 2004

could be sent informally rather than attending the hearing. They agreed that staff should just wait and forward whatever input was available through an informal process and that something could be provided formally for the record if necessary. They further decided to tentatively schedule the next Housing Committee in December.

Al McAloon, Lee District, RHA, thanked those who had attended the Joint meeting of the RHA Revitalization Committee and the RHA meetings. He said there would be another meeting early in 2005 to which everybody on the Housing Committee would be invited.

Commissioner Alcorn expressed thanks to everybody for coming out and encouraged them to coordinate with the Chairman and the staff if there were items to come up in September or October. He said he was looking forward to the Preservation Task Force meeting. Mr. Egan said he would provide a preliminary report from the task force to the Commission.

Chairman Lusk thanked attendees and said he looked forward to the next meeting in December.

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The meeting was adjourned at 8:14 p.m.
Rodney L. Lusk, Chairman

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For a verbatim record of this meeting, reference may be made to the audio recordings which can be found in the Office of the Planning Commission of Fairfax County, Virginia.

Minutes by: Norma Duncan

Approved on: July 27, 2005

Linda Rodeffer, Clerk
Fairfax County Planning Commission